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VETERANS' PROGRAM LETTER NO. 03-08

TO: ALL REGIONAL ADMINISTRATORS AND DIRECTORS FOR
VETERANS' EMPLOYMENT AND TRAINING
ALL STATE AGENCY ADMINISTRATORS
ALL REGIONAL ADMINISTRATORS, EMPLOYMENT AND
TRAINING ADMINISTRATION (INFO)

FROM: 
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SUBJECT: The Modification Process for Adjustments to Jobs for Veterans State
Grants

- I. **Purpose:** To provide guidance on the process and timelines for submitting modification requests for adjustments to approved Jobs for Veterans State Grants.
- II. **Rescissions:** Veterans' Program Letter (VPL) 06-06, dated November 28, 2006.
- III. **References:** Title 38, United States Code, Chapter 41; Special Grant Provisions for Jobs for Veterans State Grants, October 1, 2004 – September 30, 2009, dated October 1, 2007; VPL 03-07, Jobs for Veterans State Grant Annual Funding Modification Requests for Fiscal Year (FY) 2008-2009, dated May 10, 2007 (or most current VPL on Annual Funding Modifications); VPL 02-07, Annual Performance Incentive Awards for State Employees and Employment Service Offices, dated May 1, 2007; VPL 07-05 Staffing, Reporting Requirements and Roles and Responsibilities of the Disabled Veterans' Outreach Program Specialist (DVOP) and Local Veterans' Employment Representative (LVER) Under the Jobs for Veterans State Grants, dated July 27, 2005; VPL 05-05 Direct and Indirect Charges to the FY 2005-2009 Jobs for Veterans State Grants, dated May 23, 2005; VPL 03-04 Issuance of FY 2005-2009 Solicitation for Grant Applications (SGA), Jobs for Veterans State Grants for DVOP Specialists and LVER Staff, dated April 16, 2004 (or most current SGA); and Office of Management and Budget (OMB) Circular A-87, dated August 29, 1997.

IV. **Background:** In FY 2004, the Veterans' Employment and Training Service (VETS) began making allocations to States based on a new funding formula as required by P.L. 107-288, The Jobs for Veterans' Act of 2002. One of the requirements for receipt of funding is the submission of approvable, multi-year Jobs for Veterans Grant State Plan. The plan describes the manner in which the State will provide or facilitate the provision of employment, training, and placement services for veterans, transitioning service members and other eligible persons. It also indicates how the State's allocation will be divided between the Disabled Veterans' Outreach Program (DVOP) and Local Veterans' Employment Representative (LVER) programs and associated program staff activities. Each Federal fiscal year following the initial year of a multi-year grant, States review and update their approved five-year plan and submit a request for annual funding.

VETS has a statutory mandate to ensure States provide services that maximize employment and training opportunities for veterans and other eligible persons and maintain fiscal accountability for grant funds. As part of that responsibility VETS monitors grantees' programmatic performance, use of funds and adherence to State Plans. Quarterly expenditures are reviewed and when there are significant under expenditures, VETS may reallocate these funds to meet other funding requests. Under normal circumstances, reallocations are effected by reducing the Notice of Obligation Authority (NOA) for the next fiscal year quarter.

During any given fiscal year, States may identify a need to amend the scope of their State Plan, the number of DVOP specialists and/or LVER staff needed to support grant goals and/or the funding levels that support the approved staffing levels contained in the State Plan. States may also identify a need to request additional funding to support a special initiative or respond to exigencies. Any significant changes to the cost, scope or conditions of the grant require Grant Officer approval. Therefore, under all of these circumstances, States should request a modification to their State Plan and receive approval prior to implementing any desired operational or financial changes.

V. **Summary of Changes:** The significant changes to the modification process follow:

- The Standard Form (SF) 424 has been replaced with the new form approved by the Office of Management and Budget. Previous versions of the form are no longer authorized and the Grant Office will only accept funding requests on the 02 version of the form which expires on 01/31/2009;
- The requirements and instructions for completing the Budget Information sections of the SF 424A have been simplified (Section D will be completed in the same manner described for Annual Funding Modification Requests and Section E is no longer required to be completed);
- A new Staffing Directory format is provided that will provide all information needed by VETS to monitor current statutory oversight requirements; and

- The transmittal memorandum must show how the additional funding requested will be allocated to the remaining Federal fiscal year quarters, broken out by project or initiative.

VI. Modification Requests: Modification requests to the approved annual Jobs for Veterans State Grant Plan or award may be submitted at any time, but may only be considered when sufficient funds are available for redistribution. They should always be submitted as a complete request separately from any other action. Although they may be separately submitted at the same time as an Annual Funding Modification or at a later date, all funding or “no-cost” modification requests must be received in VETS National Office at least forty-five (45) days before the quarter in which the State wants the requested changes to become effective. Requests for awards to be effective in the second quarter must be received by November 16th; awards to be effective in the third quarter must be received by February 15th and awards that will be effective in the fourth quarter must be received by May 15th.

Fourth quarter allocations are generally issued during the first full week in July. However, States may submit 4th quarter modification requests for funds that might become available after the 4th quarter allocation. Approval will be dependent upon the criteria listed in the next paragraph and will require a Department of Labor waiver of suspense date for submission. Requests for this funding must be received in the National Office prior to close of business on the first Friday in August in order to be considered for approval that quarter or in the current fiscal year. All fiscal year funding, including any awarded after the approved 4th quarter allocation, must be awarded by September 30th, fully obligated by December 31st and expended by March 31st of the following year.

Requests for additional funding will be considered as funds become available and will be held for consideration in the order received. Approval or disapproval will be based on the merit of the request and availability of funds. Therefore, States should clearly describe:

- Why the original funding request was insufficient to support the planned grant-funded positions if additional funds are requested;
- The expected quantifiable outcomes associated with the modification request; and the
- Anticipated ramifications if the request is not approved.

When available funding is limited with respect to the total amounts requested in a given quarter, VETS will consider approvals generally in the following order of priority:

- Continuing Special Initiatives, e.g., approved REALifelines Intergovernmental Personnel Act (IPA) contracts;
- Unanticipated increases in staff costs such as state legislated salary increases, unanticipated benefits adjustments, cost of living increases, etc;
- Exigencies such as labor market shifts, natural disasters, office closures, etc;

- Changes in scope to the approved plan, e.g. use of excess funds, staff realignment, new proposals for non-recurring Special Initiatives, etc;
- Supplemental funds for level of staff above what can be covered by the annual allocation amount. NOTE: Supplemental requests to fund additional staff must include an attrition plan that indicates how and by when the grantee projects to get staff down to a level that can be covered by anticipated annual allocations; and
- Additional funds for conferences.

In most cases, approved modifications for additional funding will be incorporated into the next quarterly allocation through the issuance of a Notice of Obligation Authority (NOA). In all cases, a letter of approval or disapproval will be issued by the Grant Officer.

VII. Situations that Require Modification Requests: When States consider any change to an approved Plan, they should consult with the appropriate Director for Veterans' Employment and Training (DVET) who will advise them whether or not a modification request is necessary. The following are examples of situations that require a modification request:

- A. Special Initiatives: Special Initiatives may be funded to react to unforeseen exigencies in a State such as large lay-offs, natural disasters, large influxes of returning service members, etc. They may also fund special short-term projects to meet the employment and training needs of special targeted categories of veterans or other eligible persons.

Approved Intergovernmental Personnel Act (IPA) assignments are funded on one-year contracts that do not necessarily coincide with the Federal fiscal year. When any IPA contract spans two Federal fiscal years, costs that will occur after October 1st of the first year of the contract are considered "approved" and forecast in the annual funding request.

All other proposed Special Initiatives are considered for funding for a specific period of time with no expectation that they will continue or be re-approved for subsequent timeframes. These requests require a completely separate modification request. Modification requests for Special Initiatives should clearly describe the scope and assignment of costs to a program (DVOP or LVER) and the expected quantifiable outcomes of the initiative.

- B. Changes to the Scope of the Program Plan: Title 38, Chapter 41 describes separate and distinct roles and responsibilities for DVOP specialists and LVER staff. States receive funding based on a formula mandated by law and establish staffing levels for each program based on their allocation and workforce development needs. Any request to reassign staff or use excess funding in one program or activity to offset shortfalls in another program during the fiscal year is considered a change in scope,

cost and grant conditions and needs to be submitted via a modification request. These requests must describe how the change will impact the programs or activities involved and will enhance services to veterans.

Requests for additional funding to cover DVOP specialists and/or LVER staff positions that exceed the numbers described in the State Plan or Annual Funding Modification Request can be submitted at any time. When VETS does not have sufficient resources to fully fund all such requests, they will be placed in a pool so that States may receive an equal proportion of any funds that are available for this purpose. Additional requests for any remaining fiscal year funds to purchase equipment or to conduct training conferences must explain how approval will enhance or improve services to veterans, transitioning service members or other eligible persons.

VIII. Proper Signatory Authority: Two of the documents required for any modification requests, the Transmittal Memorandum and Standard Form (SF) 424, must be signed by a person authorized to enter into an agreement with the U.S. Department of Labor (USDOL). Under normal circumstances, governors delegate this signature authority to the person who manages the grantee agency, i.e. State Agency Administrator, Director, Commissioner, etc. This person may further designate his or her signature authority. If the documents listed above are signed by the person given signature authority by the governor, the Transmittal Memorandum must contain a statement that the signatory is authorized to enter into an agreement with the USDOL. If one or both of the documents are signed by someone else, a delegation of signature authority must be included with the modification. These documents cannot be signed "For" another person unless the name of the person who signed can easily be discerned and a signature delegation for that person is included with the modification.

IX. Modification Request Requirements: Current versions of all forms needed to support a modification request can be found at www.dol.gov/vets. The SF 424 and SF 424A provided as separate electronic worksheets contain standardized information and locked cells where no entry of information is needed. The worksheets cells are linked to self-populate other cells to ease data entry. States are strongly encouraged to use the electronic forms located at www.dol.gov/vets to minimize errors and/or inclusion of extraneous information.

The following documents will be submitted to request modification to an existing, approved State Plan as indicated:

A. Transmittal Memorandum (required) - This memorandum is prepared in hard copy with original signature of an authorized agency representative. It should include a clear description of the changes requested in the modification to include intended results, particularly how the targeted category of veterans or transitioning service members will benefit. It should also include an assurance that all fiscal year funding,

including any additional funding received as a result of the approved modification, will be obligated by December 31st.

First-In, First-Out (FIFO) principles will be followed when expending or liquidating obligations carried over from the previous fiscal year, i.e. all funds from a previous fiscal year are to be liquidated before expending funds allocated for the new fiscal year.

Requests for additional funding can be made to support more than one initiative or project. Each reason to request additional funding has a different priority when considered for approval. Each portion of the request will be considered separately based on its merit, need, and availability of funding. To ensure requests are prioritized properly, the transmittal memorandum must clearly show:

- The amount of the total request that will be used for each purpose; and
- The quarter(s) in which the funds for each purpose will be expended or obligated.

The following table is an example of a detailed method of displaying a \$105,000 modification request that will support more than one initiative. It shows the amount of funding needed for each quarter for each purpose.

Funding requested for:	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
IPA for REALifelines (DVOP)			\$22,000	\$22,000	\$44,000
Added TAP Workshops (LVER)		\$2,000	\$2,000	\$2,000	\$6,000
Training Conference (DVOP)				\$22,000	\$55,000
Training Conference (LVER)				\$33,000	
Total		\$2,000	\$24,000	\$79,000	\$105,000

In the example below, all \$48,000 of the funding requested will support one initiative. The table shows the amount needed by quarter to support that request.

Funding requested for:	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
IPA for REALifelines (DVOP)			\$24,000	\$24,000	\$48,000

B. Modified Budget Plan (required) – This plan will reflect the total adjusted amount of funding being requested, i.e. previously awarded or allocated funding plus or minus the amount requested in the modification.

1. **SF 424A (for DVOP and for LVER)** –Enter the abbreviation for the State name, the Grant Number, and the Date Prepared at the top of the first page of the SF 424A. If using the electronic forms provided on the VETS homepage, entering this information on the front page of the SF 424A (DVOP) will populate the rest

of the forms. Ensure the fourth character in the grant number represents the fiscal year for which the funding is being requested. Complete the form in accordance with the instructions provided with the form.

The Object Class Category for “Equipment” should be blank unless the forecast spending is for purchases of equipment with a useful life of more than one year and a per-unit cost of \$5,000 or more. If this is the case, the Transmittal Memorandum must contain a description of the equipment that would be purchased if approved.

2. **SF 424** – The SF 424 must be signed by an authorized signatory as described in paragraph VIII and must be free of white-out or pen and ink changes. If it contains any such changes, a revised and signed original copy must be resubmitted free of such changes. If the instructions for a particular block say “Leave Blank,” it should not contain any information. Errors, omissions, and/or extraneous information may cause the form to be returned for correction.

Line 18a of the SF 424 should contain the total amount requested for DVOP and LVER activities, including the modification. Line 18e should contain the total amount requested for Special Initiatives and the Transition Assistance Program, including the modification. Line 18g should reflect the new total of the grant request including the modification. Complete this form in accordance with the VETS specific instructions provided with the form.

The Jobs for Veterans State Grant is covered by Executive Order 12372. A current list of States that maintain a Single Point of Contact (SPOC) for reviewing applications for Federal assistance can be found at:

<http://www.whitehouse.gov/omb/grants/spoc.html>. States should check Line 19a and insert a date the application was submitted for review only if the State maintains a SPOC. If the State does not have an entity designated as a SPOC, or the SPOC does not select to review this submission, the State should check 19b. Box 19c should never be checked by any entity requesting funding under the Jobs for Veterans State Grant.

C. If applicable, States should also submit a:

1. **Staffing Directory** – An updated Staffing Directory is required **only if** requesting funding for additional staff, reassigning staff between the DVOP and LVER programs, or reassigning staff to locations other than where listed in the Annual Funding Modification or most current approved State Plan.

The suggested Staffing Directory form provided at www.dol.gov/vets contains all staffing information needed by VETS for monitoring and reporting. VETS has initiated the process of submitting this form for OMB approval to meet its responsibility to monitor the mandatory NVTI training, vacancies, and assignment

of non-veterans to DVOP and LVER positions in accordance with recent statutory amendments. While any format may be used to submit staffing information, States are strongly encouraged to use the form provided. Regardless of the format used, the Staffing Directory must identify:

- All locations where full- and half-time DVOP specialists and LVER staff are assigned as a primary duty location, to include central and sub-state offices, by office name and address;
- All staff, whether funded in whole or in part by the grant by name, position (DVOP or LVER), and type of appointment (half-time or full-time);
- The date appointed to the current position;
- All staff funded through a Special Initiative or by grant funding to provide functional oversight, regional coordination or other supervisory/ managerial responsibilities by name and location;
- All DVOP or LVER staff vacancies; and
- All DVOP or LVER positions filled by non-veterans for more than six months.

2. TAP Employment Workshop Forecast – This form should be submitted **only** if the modification request intends to make changes to the most current, approved number and/or scope of TAP Employment Workshops.

3. Assurance/Certifications Signature Page – The Signature Page attached to the Assurances and Certifications for Non-Construction Programs provided at www.dol.gov/vets should be completed, signed, and submitted with the modification request **only if** the agency administering the grant has changed since the most current SF 424 was approved for this grant. The Signature Page indicates that the new agency will comply with the Assurances and Certifications required for grantees that enter into an agreement with the USDOL. When submitted, the Signature Page must be signed by an authorized signatory as described for the Transmittal Memorandum and SF 424. **NOTE:** This Signature Page is not a delegation of signature authority nor is it required when there is change in designated signature authority(s). It is only required when the State Agency that will receive grant funding is new or has been renamed.

X. Actions Required:

- A. DVETs will provide technical assistance to State Agencies as needed, particularly when determining the optimal use of DVOP and LVER staff resources, and/or the need to modify an approved State Plan or budget.
- B. States should monitor adherence to their Jobs for Veterans State Plan and consult with the DVET when changes are proposed. When it is determined that a modification is needed, States should submit requests in accordance with the instructions above. States should allow 14 days for review by the DVET, the Regional Administrator for

Veterans' Employment and Training (RAVET), and receipt in the National Office no later than the deadlines indicated in paragraph VI, above.

- C. States will submit all State Plan modification requests to their respective DVET in both electronic form and signed hard copy.

XI. Inquiries: States may address questions to their DVET.

XII. Expiration Date: Until superseded or rescinded.